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AUTHOR Petersen, Allan L.; Meyer, John
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ABSTRACT

In response to concern that some community college students were being denied access to courses because others had enrolled in more courses than they really intended to maintain, the California community college finance bill of 1983 mandated that the colleges charge students a $10 fee for each course dropped after the second week of the term (not to exceed $20 per student). By August 1984, the 70 community college districts reported the results of their efforts to impose the required fee on students dropping classes, indicating: (1) more than 833,000 students had been assessed the drop fee; (2) the fee was waived on the basis of special circumstances for 45,000 students or approximately 5% of those who incurred the charge; (3) an estimated $6,402,484 was collected and an additional $2,973,582 was assessed but not collected; (4) variations in college success in assessing and collecting the drop fees were attributable to the differences in computing capacity and available staff; (5) although in some cases college representatives felt that the imposition of the fee had the desired effect of causing students to drop classes early enough to allow others to enroll, administrators and faculty at most colleges felt that the costs of assessing, collecting, and providing exemptions to the drop fee far outweighed the fee's limited benefits. The report includes summary comments from a sample of eight colleges. (Author/LAL)

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Board of Governors of the
California Community Colleges
September 13-14, 1984

Item 4

ED247983

Title: Assessment and Collection of Drop Fees

Staff Presentation: Allan Petersen, Dean
John Meyer, Specialist
Program Evaluation and Approval

Summary

The community college finance bill of 1983 (SB 851, Chapter 565) mandated that the colleges charge students a $10 fee for each course dropped after the second week of the term (not to exceed $20 per student). The law mandated that colleges report on the effect of this fee to the Chancellor's Office.

The 70 districts reported that more than 833,000 students had been assessed the drop fee. The fee was waived on the basis of special circumstances for 45,000 students, approximately five percent of those who incurred the change. More than $6,000,000 in drop fee revenue had been collected by the time of the report, and substantial additional amounts had been assessed but not collected.

This information item discusses the background of the drop fee, reports comments from selected colleges, provides a table of data on fees collected, and includes a discussion of why staff believes the drop fee and the newly-established enrollment fee are incompatible.

JC 840 486

Background

During legislative budget discussions in the spring of 1983, concern was expressed that some community college students were being denied access to courses because others had enrolled in more courses than they really intended to maintain. In other words, it was alleged that students "shopped" among available courses and over-enrolled with the intention of dropping back to a program load of only the most desirable courses. College regulations typically allow students to drop courses without penalty during the first part of each term.

In an effort to remedy this perceived problem of access, the Legislature included in the community college finance bill of 1983 (SB 851, Chapter 565) language requiring colleges to assess a fee of $10 for each course dropped (not to exceed $20 per student). The language reads as follows:

> 72250. (a) The governing board of a community college district shall impose a fee of ten dollars ($10) per course, not to exceed a total amount of twenty dollars ($20), for a student program change consisting of dropping one or more courses any time after two weeks from the commencement of instruction in any term. The fee shall not be charged for changes due to special circumstances affecting the student's ability to complete the course or for changes initiated or required by the community college.
>
> (b) Each community college district shall submit a report to the Chancellor of the California Community Colleges which provides information regarding all of the following:
>
> (1) The number of students who drop courses after the second week.
>
> (2) Revenues derived from fees assessed pursuant to subdivision (a).
>
> (3) The number of fee waivers granted students due to a request initiated by the community colleges on the basis of special circumstances affecting the student's ability to complete the course.
>
> (c) This section shall become inoperative on July 1, 1987, and, as of January 1, 1988, is repealed, unless a later enacted statute which becomes effective on or before January 1, 1988, deletes or extends the dates on which it becomes inoperative and is repealed.

Report of Drop Fee Collection

By August 21, 1984, the 70 districts had reported the results of their efforts to impose the required fee on students dropping classes. Table I summarizes the reported information. An estimated $6,402,484 was collected and an additional $2,973,582 was assessed but not collected as of the reporting date. Colleges hold the uncollected fees in an "accounts receivable" charge against the students and attempt to collect the money when the student next registers.

Colleges had varying successes in assessing and collecting the drop fees. This variation was largely due to the differences in computer capacity and available staff. Also, some colleges started their terms much earlier than others and were unable to implement the necessary procedures until the second

term. (SB 851 was not signed into law until August 1983.) Nevertheless, more than 833,000 students were assessed drop fees. More than 45,000 were granted waivers from the fee for extenuating circumstances.

Impact of the Drop Fee

The general sense of the discussion leading to the adoption of the drop fee indicated that principal intent was to cause students to be more careful about selecting courses and over-enrolling and to encourage drops early enough (within the first two weeks of a term) so that space would be available for some who would otherwise find no room in classes. There is no practical way to measure these intended effects but comments from the colleges administrators are instructive. Selected comments offered at the time data were submitted are provided below:

"A" College

> Students who initiate the drop are charged the fee. However, students who simply stop attending class and are dropped by the instructor become delinquent accounts.
>
> "A" College collection procedures include sending a "payment due" notice to all students who are delinquent in paying the drop fee. Additionally, a block is placed on their enrollment and transcript files. The delinquent course drop fee must be paid before they can receive a transcript or enroll at the college in another course. The enrollment blocks cause a problem as the numbers increase. The cost of computer memory necessary to maintain this information will not make the process cost effective. We are considering a limitation on the length of time that the block can be retained.

"B" College

> Although the imposition of the drop fee resulted in an increased work load for both the Office of Admissions and Records and the Business Office, the implementation of an automated Student Accounts Receivable (fees accounting) system for the Spring Quarter ameliorated that burden considerably. Some revenue was derived and it is believed that an improved retention rate for 1983-84 was partially a result of the drop fee. The drop fee seems to have encouraged students to make program changes on a timely basis, and in so doing probably reduced the number of "W" grades (since this district's policy provides for "W" grades beginning the third week), hence may have had a beneficial effect on progress probation situations for some students. Seemingly, serious students are able to pursue their objectives, while two weeks is ample time for investigating course choices.

"C" College

Comments on the effectiveness of the drop fee in expediting the dropping of classes by students in the first two weeks to make room for other students who need the classes:

1. We noticed no appreciable difference in our drop rate before and after the imposition of the drop fee. In Spring 1983, 6752 students dropped one class after the second week, 3222 dropped two or more after the second week. In fall 1984, 5724 dropped one class after the second week, 2886 dropped two or more. This represents a 15.2% decrease in the number of students dropping one class and 10.4% decrease in the number of students dropping two or more. These figures are very similar to our decrease in enrollment this year as compared to last year. Therefore, the imposition of the drop fee did not affect our number of drops.

2. The majority of our drops occurred towards the end of the 14th week of the semester, not in the first two weeks. Therefore, the imposition of the drop fee did not free up seats for other students to enroll in a closed class during the first two weeks of the class.

3. There has been a definite increase in staff time needed to implement and maintain the collection of these fees.

"D" College

While this is rather small to base generalized conclusions upon, there appears to be no significant change in the overall retention rate of students. In the fall semester, we did experience a significant increase in the retention rate between first and second censuses, using ADA as the basis for calculation. However, in the spring semester the retention rate dropped back to our normal retention rate.

There does seem to be a significant decline in the "shopping for classes" by students, and a slight increase in the number of drops during the first two weeks of the semester. This has allowed us to fill vacancies in classes.

"E" College

If the intent of the imposition of the drop fee is "to expedite the dropping of classes by students who had little motivation to complete the courses, <u>making room for others who need the classes,</u>" then the new regulation does not seem to be working toward this goal. Once a student occupies a seat in a class there is very little chance that another student can replace this individual in the event of a withdrawal. Petitioners and students trying to add usually fill the vacancies created by no shows. If a student drops, even

with the new policy, it may take one or two weeks for this to occur. At this point it is difficult for a student to enroll because a significant amount of coursework has been covered, especially in a quarter system course.

Attached please find results of a study that was done at "E" College to ascertain the effects of the new W-fee regulations.

Summary Comments

W-HOLD DISTRIBUTION STUDY AND RANDOM SAMPLE OF STUDENTS WITH W-HOLDS - AUTUMN 1983

1. A disproportionate number of ethnic minorities (especially blacks) received W's and subsequent W-holds in Autumn Quarter 1983.

2. The three main reasons given by respondents for dropping classes included: a. employment related factors, b. personal or family illness, and c. dislike and/or difficulty with the class.

3. A large percentage of W-recipients were unaware of the W-hold. Perhaps a computer-generated address label and notice (bill) should be produced for every W-hold placed on a student's record.

4. A significant number of students indicated that they are prevented from reenrolling at "E" College because of the lack of funds to remove the W-hold.

5. It seems that a large percentage of our students were unaware of the statewide mandated W-fee.

"F" College

Based upon a comparison of enrollments and drops, 1982-83 with 1983-84, the college can ascertain virtually no impact of drop fees on student behavior. The imposition of the drop fee did not increase the number of students dropping early (first two weeks) nor decrease the number of students dropping later (after two weeks). Obviously, therefore, additional classroom space was not provided for other students desiring entry into our restricted schedule of course offerings.

The logistical and cost factors associated with implementing the fee structure, receiving funds, billing, etc., although sizeable, will be adequately covered by the fees collected.

It will be interesting to see what effect the large "debt" to be paid by students will have on fall 1984 enrollment activity.

"G" College

If the intent of the fee was to decrease the tendency of students to drop classes, this does not seem to be having that effect at "G" College. The withdrawal rate was 30% in 1981-2, 28% in 1982-3, and 29% in 1983-4; and although we have not undertaken a statistical analysis of these figures, their closeness seems to indicate that there is no significant difference among them.

The cost of collecting the fee in terms of personnel and increased paperwork does not warrant the amount of money collected. Although the fee was apparently conceived to be a nuisance for students, it has turned out to be a nuisance to administer. "G" College has chosen to award students an F grade if they do not pay the drop fee rather than prevent their registration in a subsequent semester. Preparing and mailing almost two thousand letters this year was a major undertaking and expense directly related to the imposition of the drop fee. Admissions and Records has added a half-time bookkeeper and feels they need another half-time clerk to administer collections and monitoring of the fee.

The majority of students elected not to pay the drop fee at all. During the fall semester, 64% of the students who should have paid the fee did not do so. We would assume that a similar percentage will be calculated when the spring semester data are finalized.

"H" College

Note: While we expect the fees assessed but not collected to be reduced as the result of the registration for the fall semester (we do not allow a student to register unless all fees due are paid), the size of the uncollected figure points out that many students at least try to avoid the drop fee by leaving without completing the necessary paper work. In other words, the drop fee encourages students to drop out without following college procedures.

Commentary:

1. The drop fee did cause students to drop out earlier than prior to the fee being levied. This was borne out by the fact that all three District colleges had lower attrition rates between the first and second census periods.

2. It is questionable that this earlier exodus actually provided additional room for other students since the possibility of success for late enrollees is obviously limited Other factors such as the instructor's willingness to accept students into their classes on a late basis also restric[illegible] the intent of this fee.

3. While it is not possible to provide related data, it is a matter of concern as to how many students either do not enroll because of the drop fee or drop out prematurely because of it.

4. It is also questionable as to whether the amount of money collected is more than balanced out by the cost of the effort it requires.

TABLE I

NUMBER OF STUDENTS ASSESSED FEES
NUMBER OF WAIVERS GRANTED AND REVENUE DERIVED
PURSUANT TO SB 851 (1983)
1983-84 ACADEMIC YEAR

District	# of Students Assessed	# Waivers	Revenues Derived
Allan Hancock	7,312	554	43,800
Antelope Valley	5,683	619	27,435
Barstow	1,242	127	3,610
Butte	4,600	535	29,380
Cabrillo	9,950	197	80,000
Cerritos	12,720	70	127,140
Chaffey	14,152	3,090	77,834
Citrus	8,063	409	49,480
Coachella Valley (Desert)	2,121	295	24,810
Coast	46,522	895	452,286
Compton	3,743	27	6,693
Contra Costa	16,055	682	181,616
El Camino	19,538	136	195,450
Foothill-DeAnza	27,976	357	205,361
Fremont-Newark	5,895	1,177	38,330
Gavilan	2,262	59	14,110
Glendale	8,359	13	83,730
Grossmont	10,504	420	122,944
Hartnell	6,040	798	40,984
Imperial	1,634	230	3,590
Kern	5,234	2,846	34,730
Lake Tahoe	778	36	3,730
Lassen	1,869	53	2,540
Long Beach	17,220	90	95,840
Los Angeles	99,388	994	665,257
Los Rios	34,337	1,538	265,600
Marin	2,270	-0-	23,110
Mendocino	1,317	1,891	2,190
Merced	5,258	814	20,740
MiraCosta	4,413	1,200	29,070
Monterey Peninsula	5,199	1,157	30,538
Mt. San Antonio	37,007	212	131,960
Mt. San Jacinto	3,704	-0-	39,070
Napa Valley	4,691	216	20,900
North Orange	21,506	442	216,320
Palo Verde	156	13	2,120
Palomar	7,892	332	75,000
Pasadena	8,827	109	224,220
Peralta	15,294	393	68,530
Rancho Santiago	21,049	452	135,890
Redwoods	3,112	413	36,250
Rio Hondo	9,994	164	55,710
Riverside	10,982	4	149,190

District	# of Students Assessed	# Waivers	Revenues Derived
Saddleback	11,509	775	125,620
San Bernardino	13,690	1,092	60,288
San Diego	34,056	6,521	220,150
San Francisco	20,465	528	144,075
San Joaquin Delta	13,814	1,503	83,143
San Jose	14,866	2,204	95,652
San Luis Obispo	4,908	362	39,665
San Mateo	18,281	440	132,990
Santa Barbara	9,552	1,443	65,196
Santa Clarita (Canyons)	3,847	108	23,700
Santa Monica	18,715	23	254,720
Sequoias	5,099	255	48,640
Shasta	5,402	125	34,980
Sierra	7,303	39	51,390
Siskiyous	1,367	128	8,135
Solano	12,411	168	36,250
Sonoma	11,267	1,082	84,873
South County	15,146	406	94,840
Southwestern	9,232	861	62,470
State Center	13,469	919	122,395
Ventura	20,535	399	198,940
Victor Valley	2,311	146	18,270
West Hills	1,623	319	9,394
West Kern	720	143	2,765
West Valley	16,496	470	137,283
Yosemite	5,622	423	73,020
Yuba	5,447	277	36,352
	833,021	45,218	6,402,484

Conclusions

SB 851 required that the colleges report to the Chancellor's Office (1) the number of students who drop courses after the second week; (2) revenues derived from fees assessed; and (3) the number of fee waivers granted due to special circumstances. As shown in Table I, with the 70 districts reporting, 833,021 students were assessed drop fees and 45,218 waivers were granted. The revenues derived amounted to $6,402,484 and there remains a sizeable uncollected debt owed colleges by students who dropped out of classes and did not pay the fee. However, the legislation did not require the colleges to report this information.

It appears that colleges did not grant waivers of the fee gratuitously. Approximately five percent of those assessed were granted waivers on a statewide basis. In most colleges, the proportion was much smaller.

Comments from those charged with administering the drop fee reveal that in some instances the imposition of the fee did have the desired impact and did cause students to drop classes early enough or not to enroll in the first place to allow others to enroll. In some colleges, the fees collected adequately covered the cost of administration. However, administrators and faculty in most colleges believe that the costs of assessing, collecting, and providing exemptions to the drop fee far outweigh the fee's limited benefits. The administrative costs, moreover, are particularly onerous to small colleges without sophisticated data processing capability.

In addition, the new enrollment fee commencing with Fall, 1984 makes the value of the drop fee even more problematic. The enrollment fee accomplishes the same purposes the drop fee was intended to accomplish. Students must be careful about enrolling in too many courses, as the enrollment fee rises with additional units up to six; and students must make decisions about staying enrolled within two weeks, if they want to receive an enrollment fee refund. The enrollment fee and its refund appears to policy serve the same purpose as a drop fee.

Staff will be studying the area of permissive fees in general as part of preparing a proposal to the Board for 1985 legislation, and at that time staff will have a specific recommendation on the question of the drop fee.

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8118 Math-Sciences Building
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